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RUEHDM/AMEMBASSY DAMASCUS PRIORITY 6525
RUEHLO/AMEMBASSY LONDON PRIORITY 3331
RUEHFR/AMEMBASSY PARIS PRIORITY 1534
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RUEHTU/AMEMBASSY TUNIS PRIORITY 6724
RUCNDT/USMISSION USUN NEW YORK PRIORITY 8778
RUEHJI/AMCONSUL JEDDAH PRIORITY 1550
RUEHJM/AMCONSUL JERUSALEM PRIORITY 2373
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY
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RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS TEL AVIV 001535

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR X0XX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

Major media (lead story in HaQaretz) reported on President ObamaQs meeting yesterday with 15 leaders of prominent American Jewish organizations at the White House, for talks aimed at clearing the air following allegations that his administration was taking a tough line with Israel over settlement activity. The Jerusalem Post noted

that some conservative groups were excluded from the meeting. At the meeting, Obama told the leaders that he wants to help Israel overcome its demographic problem by reaching an agreement on a two-state solution, but that in order to do so, Israel would need "to engage in serious self-reflection." On the Iranian nuclear issue, Obama told the leaders that "the door to dialogue is open. If the Iranians do not walk through it, however, we will have to see how we proceed. But it would be a mistake to talk now about what we're going to do and how we're going to do it." One of the participants at the meeting asked the President to take a lower profile regarding the public differences between his administration and the government of PM Benjamin Netanyahu over the United States' demand that Israel freeze all settlement construction activity in the West Bank. "This situation is not helpful," he told the President, who rejected the request, saying that during the eight years of the Bush administration, such disagreements were never made public but that such an approach was not helpful in advancing the peace process. Obama added that there is a narrow window of opportunity for advancing the peace process and that he plans to speak openly and honestly with Israel -- "a true friend of the U.S." -- just as he did with the Arab nations in his speech at Cairo University in June. HaQaretz quoted Jeremy Ben-Ami, executive director of J Street, who attended the meeting, as saying afterwards that he believed that President Obama was asserting positions aimed at achieving two states for two peoples, a stance he claimed is supported by the majority of the Jewish community in the United States that voted for Obama. Israel Radio reported that the President told the Jewish leaders that he is not applying biased pressure on Israel and that his demands of the Palestinians and the Arab states are no smaller than his demands of Israel. The radio quoted Malcolm Hoenlein, executive vice chairman of the Conference of Presidents of Major Jewish Organizations, as saying that the President indicated that there is progress in talks with Israel about the settlements. Yediot and Israel Radio reported that Obama told the Jewish leaders that the United States' disagreement with Israel regarding the settlements is akin to differences of opinion within the family.

Yediot reported that, in recent talks with Jewish leaders, Obama associates raised the possibility that the President may come to Israel in order to reassure its citizens that he is committed to its security.

HaQaretz reported that Netanyahu met with the Quartet's Middle East envoy Tony Blair yesterday to discuss ways to improve the Palestinian economy. Netanyahu told Blair that the West Bank's Palestinian residents could achieve more if they were to increase their cooperation with Israel. Israel Hayom quoted Blair as saying yesterday, during a meeting with PM Netanyahu, that Israel does not get enough credit for its measures to ease the condition of the Palestinians -- such as the lifting of roadblocks.

HaQaretz reported that, seven years after construction work began on the West Bank separation fence, the project seems to have run aground. Work has slowed significantly since September 2007, and today, after the state has spent about 9.5 billion shekels (around \$2.375 billion), only about 60% of the more limited, revised route has been completed. Giant gaps remain in the southern part of the fence, particular in the southern outskirts of Jerusalem, in the Etzion bloc and in the Judean Desert.

Electronic media reported that settlers told security forces that last night Palestinians pelted their car with stones, causing it to crash into a wall. But the Ynet news Web site cited the IDF and police's belief that the accident was result of reckless driving. Israel Radio reported that the settlers tried to pray illegally at the site of Joshua's Tomb.

The Jerusalem Post led with German prosecutors' charges against John Demjanjuk that he was an accessory to murder of 27,900 Jews at the death camp of Sobibor.

Makor Rishon-Hatzofe reported that yesterday the High Court of Justice demanded that the state conclude within four months its hearing process regarding two West Bank settler outposts, and that it set a calendar for the demolition of permanent structures there. The court was responding to a petition by Peace Now.

The Jerusalem Post cited a denial by Deputy FM Danny Ayalon that American envoy Frederick Hoff was bringing with him to Israel an early draft of a U.S. plan for an Israel-Syria compromise on the Golan. Yediot wonders whether Israel and Syria will agree to the reported American plan, which includes the creation of a nature reserve.

The Jerusalem Post reported that yesterday Britain denied that it had imposed an embargo on Israel in the wake of Operation Cast Lead.

Maariv reported that Egypt has clarified to Israel that Shaul Kemisa, whom FM Avigdor Lieberman intended to appoint as Israel's ambassador to Cairo, is a persona non grata in that country.

The Jerusalem Post reported that, in an effort to promote reconciliation among the faiths, two Jewish leaders -- Rabbis Marc Schneier and David Rosen -- are taking part in a Saudi-sponsored interfaith forum in Vienna, which is also being attended by an Iranian religious leader.

HaQaretz reported that Khaled Dawoud, the chief UN correspondent of Al Jazeera-TV, has accused the Israeli delegation at the UN of discriminatory policies and harassment. The Israeli diplomats, for their part, have accused Dawoud of disruptive behavior along with exploiting press conferences and events involving Israeli officials as a platform from which to bash Israel.

The Jerusalem Post reported that a group of 13 American rabbis from across the religious spectrum are calling for a water-only fast on the third Thursday of each month. Those behind the initiative say that they seek to end the Jewish community's silence over Israel's collective punishment of Palestinians in Gaza.

All media reported that the task force handling illegal immigrants discovered that Micky Louis Mayon, whom it arrested in Tel Aviv on Sunday, was one of the FBI's 100 most wanted criminals. Mayon is wanted in the U.S. for many federal crimes, among them membership in the Ku Klux Klan, burning federal judges' cars, and several other charges of severe violence. Intelligence passed on to Israel by Interpol suggests that Mayon entered Israel illegally in 2008 and changed his location every two days since his arrival.

The Jerusalem Post reported that PM Netanyahu can finally point to an achievement: Yesterday the Knesset's Economic Affairs Committee passed the Israel Land Administration (ILA) reform plan, one of Netanyahu's major campaign promises. The daily says that Netanyahu and his backers have argued that the plan is meant to restructure the ILA and turn it into a more efficient body, one that could focus on its main task of making the state's land available for development, instead of having to sign off on every homeowner's application to add a room or close off a balcony. The Jerusalem Post recalls that Qdoomsday scenarios were raised of the land being purchased by Saudi Arabian oil magnates or ending up in the hands of a small cabal of real estate tycoons.

HaQaretz reported that Israeli Arab Knesset Member Ahmad Tibi has joined the chorus of voices calling for cell phone company Cellcom to pull its latest commercial, in which IDF soldiers are seen playing soccer with unseen Palestinians next to the West Bank separation fence. Tibi's letter joins several similar requests from Arab lawyers, while the ad itself has generated much criticism in the Israeli blogosphere. "The barrier separates families and prevents children from reaching schools and clinics," Tibi told Reuters. "Yet the advertisement presents the barrier as though it were just a garden fence in Tel Aviv."

Both Yediot and Maariv bannered former Shas cabinet minister Aryeh Deri's expected return to politics, as the Qperiod of moral turpitude in the wake of his conviction for bribery, fraud, and breach of trust is ending.

Leading media reported that shareholders of Channel 10-TV are freezing the transfer of funds to the station, which might eventually be closed down. The Jerusalem Post reported that yesterday Knesset Member Nachman Shai (Kadima) recommended that the Knesset's Economic Affairs Committee discuss the possibility of providing government aid to the station.

HaQaretz reported that Israel Air Force planes were mistakenly ordered last weekend to shoot down a Continental Airlines passenger plane suspected of being flown to Israel with terrorist intentions. A technical failure, apparently with ground communication units, is believed to have prevented the pilots of the American carrier from identifying their plan upon entry to Israeli airspace, as required.

Media reported that Canadian artist Leonard Cohen will not be

performing in Ramallah as planned. The Jerusalem Post quoted pro-Palestinian activists as saying that Cohen was not welcome in Ramallah as long as he insisted on performing in Tel Aviv, where a concert is planned for September 24.

Mideast:

Block Quotes:

1I. "Arabs DonQt Expel Jews"

Senior op-ed writer Akiva Eldar commented in the independent, left-leaning Ha'aretz (7/14): QUnfortunately, [a] guide [recently put out by the Israel Project, the organization spearheading Israel's public relations efforts in the U.S.] does not suggest a response to anyone who heard and/or read the opinions of Palestinian Prime Minister Salam Fayyad, or of Ahmed Qurei, the head of the negotiating team, who invited the residents of Ariel and Ma'aleh Adumim to remain in their homes and live in peace and equality as a Jewish minority in Palestine. Qurei even said he broached this subject with former U.S. secretary of state Condoleezza Rice. Too bad none of the Prime Minister's many advisers directed his attention to this generous Palestinian offer. Had he been aware, he might have refrained from making cheap usage of the ethnic cleansing argument in a conversation he had last week with Germany's Foreign Minister, Frank Walter Steinmeier.... How ... can Israel explain its decision to establish new facts on the ground in the heart of the territories whose future it actually agreed to discuss [namely in the area of MaQaleh Adumim]? Who will believe that Israel came to the negotiation table with clean hands at a time when it is putting its paws on yet another chunk of land?

II. "Let Bibi Work"

Senior columnist and longtime dove Yoel Marcus wrote in Ha'aretz (7/14): QBibi is at the helm during a fatal crossroads in the state's life. He is locked in an unprecedented clash with an American president who doesn't play with mannerisms of love for the Jews. An expose by [Washington correspondent] Orly Azolai in last weekend's Yediot Aharonot cites a Qsource closeQ to U.S. Envoy George Mitchell, saying QObama is not Bush and if Israel isn't with him in the move he's leading, he won't harm it, but it won't enjoy that special status that is critical for it.Q This is not simply worded. Never has an Israeli prime minister been under such a harsh threat as Netanyahu is from Obama. Bibi has formed a functioning government, which in a time of need could be boosted by Kadima. The ideological move he is spearheading is different from that of the previous government. If impeded, he will not succeed. If we don't let him work, we won't know whether this is a different Bibi. We can criticize him for deviating from a political or ideological line, but don't tug the hem of his jacket, and leave him alone with the shtetl [Diaspora mentality] nonsense. Let Bibi work.

III. "America and Israel: Wither?"

Zalman Shoval, a senior Likud member and former ambassador to the U.S., wrote in the independent Israel Hayom(7/14): QLet us suppose for a moment that some kind of agreement will be reached with the Americans on the issue of building in the settlements. So, what then? Both Washington and Jerusalem talk about a Qregional arrangementQ -- but it is unclear whether they refer to the same contents. For instance, as far as Israel is concerned, the solution of the refugee problem should be implemented partly through integration in the countries in which they have been residing for three generations and through financial compensation for the others;

recognition of Israel as the state of the Jewish people will certainly be required. In the way we are supposed to recognize a Palestinian state as the state of the Palestinian people. As far as Israel is concerned, there should be an agreed-upon framework for the future Palestine state and limitations to its sovereignty. One could talk about a regional Marshall Plan that would include the accelerated economic development of the Palestinian territories.... However, as far as the United States is concerned, it seems that the regional arrangement has other characteristics: The Americans are talking about gestures such as allowing Israeli civilian planes to fly over the territory of Arab countries, the opening of some sorts of Israeli diplomatic representations in the Arab countries, and vice-versa. This should not be disregarded, but Israel will have to make concrete concessions in exchanges for mostly symbolic gestures. In the mean time, it turns out that the [U.S.] administration has not managed to get Saudi Arabia, the major player, to make even symbolic gestures.

IV. "Real Mediation"

The conservative, independent Jerusalem Post editorialized (7/14): [In a July 11 speech in London, European Union foreign policy chief Javier] Solana offered a way forward toward creating a Palestinian state: Real mediation. By this, he appeared to mean imposing a solution, and a timetable for its implementation. If the parties didn't go along, he'd have the UN Security Council essentially codify the "real mediation" with its imprimatur. The contrasting reactions to the Solana speech are instructive. The Palestinians' creative interpretation had Solana calling for the Security Council to recognize a Palestinian state -- in line with their maximalist stance -- by a certain deadline; even if Israel does not. Palestinian negotiator Saeb Erekat said: We do not object. It's time for the international community to stop treating Israel as above the laws of man. The reaction of Israel's Foreign Ministry was that peace had to be built on negotiations, not imposed. Plainly, the Palestinians trust that an internationally imposed peace would mostly ignore Israeli concerns, while catering to theirs. Israelis do not disagree.

V. There Are Democracies and There Are Democracies

Hen Alon, a reserves major who served time in jail for refusing to serve in the territories and is a member of Combatants for Peace, wrote in the popular, pluralist Maariv (7/14): The senior [Israeli] government officials were gripped by excitement. The masses in Iran had taken to the streets. Defense Minister Ehud Barak said: What we see in the streets of Iran is the genuine energy of young people who don't want what they see. Prime Minister Benjamin Netanyahu added: The free world is stunned by the willingness of the Iranian people to insist on its rights.... When masses of Palestinians took to the streets in 1987, the Israeli response was less than enthusiastic. Break their arms and legs, the defense minister at the time [Yitzhak Rabin] ordered. Nobody here said, The masks have been removed from the Israeli regime.... There is no question that the Israeli view of events in Iran, more than they show something about the Iranians, reveal the Israeli self-perception and the enormous gap between this and reality. Perhaps Barak and Netanyahu should be reminded of the reality that exists in the territories. In fact, democracy in Israel is a limited democracy. Israel cannot meet the minimal requirements of the free world. Like a child who terrorizes his classmates but supports the mistreated child in the other class, Netanyahu and Barak identify with the wrong side. When the Palestinian masses again rise up to insist on their rights against an oppressive and imperious regime, Barak and Netanyahu will be the ones to wield the clubs, not those who take the beatings.

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